

September 29, 2025

Crystal Henwood
Clerk of the Board
Nova Scotia Energy Board
1601 Lower Water Street, 3rd Floor Halifax, NS
B3J 3S3

Re: M11539 - NS Power Battery Energy Storage System Project (BESS) – Interim Report

Dear Ms. Henwood:

In its Decision regarding the above noted matter, the then Nova Scotia Utility and Review Board (NSUARB) directed Nova Scotia Power (NS Power, the Company) to provide an interim report by September 30, 2025 on its Battery Energy Storage System Project.

The NSUARB elaborated on the content of the report as follows:

NS Power is to provide an interim report by September 30, 2025, that includes a high-level summary of the actual project costs incurred relative to the initial estimates, the projected completion dates for the three BESS Project sites, external funding updates, along with any other information NS Power deems relevant.

NS Power provides the NS Energy Board (NSEB, the Board) the following update on the BESS Project.

Project Completion Date:

The Bridgewater and Spider Lake BESS sites are on track to be put into commercial operation in November 2025, in line with the substantial completion dates included within the Limited Notice to Proceed Agreement with Canadian Solar SSES (Canada) Inc. filed as Appendix A to NS Power's Battery Energy Storage Application.

On July 2, 2024, NS Power informed the then NSUARB of the execution of an engineering, procurement and construction (EPC) agreement with e-Storage (Canadian Solar SSES (Canada) Inc.) with the same commercial operation dates as included in the aforementioned LNTP. Design, engineering, and procurement activities under the contract began in the summer of 2024 and generally concluded in Q2 of 2025. Early construction activities began in late Q4 at the Bridgewater site with the majority of construction activities, such as installation of sedimentation controls,

grubbing, rough leveling, and site drainage work beginning in March 2025 at both the Bridgewater and Spider Lake sites, continuing through the spring. Extensive trenching and cable installation was completed at both sites which included the installation of DC and AC cables, medium and low voltage cables, grounding cables, as well as communications cables. Foundations and other civil engineering work including site road networks were installed and constructed. All major equipment, such as battery enclosures, power conversion systems (inverters) and control buildings, which house the energy management system and other control and monitoring equipment for the two BESS sites have been delivered. Installation and cables terminations into these units were completed during the summer across the sites and in the control buildings, enabling preparation for full mechanical completion and commissioning activities being segmented on a circuit-by-circuit basis.

Commissioning and testing activities will continue into October and conclude in November as both the Bridgewater and Spider Lake BESS sites are tested, integrated into NS Power's Energy Control Centre and appropriately synchronized with the Nova Scotia electricity system to enable their safe and successful commercial operation.

The White Rock Road BESS site remains on track to be put into commercial operation in July 2026. Construction activities, such as initial civil engineering work, began in July 2025. The control building will be delivered in October 2025 and trenching, conduit and cabling work will be executed through the fall. Construction began on the site's substation in September and the main power transformer is on schedule to be delivered in November 2025.

As per the NSUARB's third directive in its Decision on the matter, NS Power will advise the Board if there is a delay in the commercial operation for any of the three BESS sites that exceeds three months from the commercial operation dates included in the Application.

Figure 1: Installed Battery Enclosures at Bridgewater BESS Site.



Figure 2: Spider Lake BESS photo showing insulating gravel at grade with row of battery enclosures on left and row of power conversion systems on the right during warm commissioning activity.



Figure 3: Interior of Battery Enclosure showing three of six racks containing eight individual battery modules per rack.



Figure 4: Site civil work in progress at White Rock BESS.



Project Costs

Actual Project costs incurred to the end of August 2025 are summarized in Figure 5 below. The costs incurred to date align with the overall project estimate from a general timing perspective as the third BESS site (White Rock Road) is currently in the early stages of construction. Costs associated with that site, which account for most of the remaining project budget, will continue to be incurred until the site is commissioned in mid-2026. The project has realized actual cost savings in the labour and associated project non-labour cost categories, incurring less labour expenses than originally estimated for the Application. Also, no contingency has been utilized to date as project, contract, and risk management activities have been effective in managing costs on the Bridgewater and Spider Lake sites. To note, a significant amount of manufacturing and construction work is yet to be completed for the White Rock Road BESS site.

Figure 5: BESS Project Cost Summary

Expense Type	Project Cost Actuals (as of August 30, 2025)	Project Cost Estimate (Application)	Remaining Project Budget
Labour	\$6,250,645	\$9,575,228	(\$3,324,583)
Project Non-Labour Costs	\$2,068,129	\$5,491,452	(\$3,423,323)
Materials			
Contracts			
Consulting			
Legal & Strategic Procurement Support	\$1,967,002	\$2,088,550	(\$121,548)
Land	\$670,170	\$670,170	-
Freight	\$15,106,882	\$22,667,051	(\$7,560,169)
Contingency	-	\$26,195,509	(\$26,195,509)
AFUDC	\$7,862,757	\$13,365,727	(\$5,502,970)
BESS Gross Project Totals	\$207,903,965	\$354,020,093	(\$146,116,128)

External Funding Update

As of August 30, 2025, \$172,734,734 in project costs (incurred to end of June 2025) were submitted to Natural Resources Canada (NRCan) under the Smart Renewables and Electrification Pathways Program (SREP) and the Electricity Predevelopment Program (EPP). Some project costs, such as those related to the Allowance of Funds Used During Construction (AFUDC), land, and legal costs are not admissible under these programs and therefore are not included in the submitted costs.

Of submitted costs, \$94,308,625 have been approved by NRCan resulting in a total of \$67,155,509 funding received. The remaining \$78,426,109 in submitted costs reflect 2025 items that are currently under NRCan review for approval as part of the normal funding claim process.

Costs can be funded by either the EPP or SREP but not both. In addition, only certain pre-construction costs are eligible for the EPP. The submissions and funding levels to date are as follows:

Figure 6: Summary of NRCan Funding

	EPP	SREP
Allowable project costs submitted to date	\$6,816,204	\$165,918,530
Approved costs to date	\$5,443,122	\$88,865,503
Funding received to date	\$5,443,122	\$61,712,387
Costs under review	\$1,373,082	\$77,053,027
Total funding level on approved costs by end of project	100%	33.3%
Current funding level on approved costs	100%	69%*

*The government fiscal year profile of funding availability under the SREPs results in higher funding levels in earlier project phases with lower levels in later phases. By end of the project, the total SREPs funding level will not exceed 33.3 percent of total approved costs.

NS Power appreciates the opportunity to update the Board on this matter. In accordance with the Capital Expenditure Justification Criteria, the Company will submit a Final Cost Application (FIN) for the BESS project within six months of the in-service date for the final BESS site (White Rock Road) in 2026.

Sincerely,



Mary Ellen Greenough

Director, Legal and Regulatory, Eastern Clean Energy Initiative Projects, Nova Scotia Power Inc.